GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC Ltd - NICDIT Krishnapatnam Industrial City Development Ltd (NKICDL) - Krishnapatnam Industrial Node (KIN) in A.P., under Chennai Bengaluru Industrial Corridor (CBIC) Project - Administrative Sanction to APIIC Ltd., for an amount of Rs.1,448 Crores for the infrastructure works to be taken up in Krishnapatnam Node under Chennai Bengaluru Industrial Corridor (CBIC) – Accorded - Orders – Issued.

INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 30 Dated: 11-05-2021

Read the following:

1.G.O.Ms.No.20, Ind & Com (Infra) Dept, dt.23.03.2021.
2.G.O.Ms.No.76, Rev (Regn.I) Dept, dt.30.03.2021.
3.From the VC&MD, APIIC Ltd., Singe File No.APIIC-16/3/2021-ENGG WING I-APIIC, dt.26.02.2021 & 06.04.2021.

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ORDER:

In the G.O. 1st read above, orders were issued according permission to APIIC Ltd., for transfer of activation area land to an extent of 2,139.15 Acres from the total area of CBIC of SPSR Nellore Dist from APIIC to the SPV company i.e. M/s.NICDIT Krishnapatnam Industrial City Development Ltd., and exempting the value of stamp duty to a tune of Rs.34.00 Crores on such transfer.

2. In the G.O. 2nd read above, orders were issued exclusively by the Revenue department exempting the Stamp Duty to a tune of Rs.34.00 Crores payable on transfer of Activation area land.

3. In the reference 3rd read above, the VC&MD, APIIC Ltd. has sought administrative sanction for an amount of Rs.1,448 Crores for the estimated cost of infrastructure works to be taken up in Krishnapatnam node of CBIC on the following grounds:

(i) Government of India (GoI) is developing various industrial corridor projects as a part of National Industrial Corridor Programme which is aimed at development of futuristic industrial cities in India for competing with the best manufacturing and investment destinations in the world through an SPV namely National Industrial Corridor Development Corporation (NICDC) Limited which has a mandate to establish, promote and facilitate development of industrial corridor projects in the country. Further a trust fund was set up in the name of National Industrial Corridor Development and implementation Trust (NICDIT) to carry out the project development and implementation activities.

(ii) The Chennai-Bengaluru Industrial Corridor (CBIC) is one of the fve industrial corridors envisaged by GoI connecting the key metropolitan economic hubs of the country along Chennai, Bengaluru and Chitradurga with an overall length of about 560 Kms. This development will have an infuence area spread across the States of Karnataka, A.P. and Tamil Nadu. Krishnapatnam in A.P. is one of the three nodes on this corridor and also falls in the infuence zone of the Vizag Chennai Industrial Corridor (VCIC). This Node is in the proximity of Krishnapatnam Port, offering locational benefts to export and import oriented industries in tapping the South Asian economic centers.

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(iii) As per the preliminary design report (PDR) of CBIC Node, it was envisaged that around 1 million direct & indirect jobs will be generated by 2040 from the identifed industrial sectors like Food processing, Automobile and auto components, Textile and wearing apparels, Chemical, Pharmaceutical, Manufacturing of electrical equipment and Manufacturing of computer electronics and optical products that have been identifed as enablers for faster development of the region.

(iv) As per the Initial master plan and SSA signed, the total land available for development has been identifed as 11,096 Acres and Node spreads across two sites of about 60 Kms apart, i.e. North Node and South Node. The North Node is located along the coastline south of Krishnapatnam Port in SPSR Nellore District. The North Node is about 20 Kms east of NH-16 and presently connected through existing State Highways/District/Village Roads from NH-16. The North Node covers eight Villages in Chillakuru & Kota Mandals, SPSR Nellore District. The overall site area is 11,096 Acres. The North Node is further sub divided into three phases based on timeline of its development. The development of Phase-1 of North Node is planned to be commenced frst followed by other phases of North Node and subsequently South Node.

(v) GoAP, NICDIT, and APIIC have entered into a State Support agreement (SSA) and Share Holders' Agreement (SHA) on 29.11.2017. As per the terms of the SHA, the entire project site identifed under Krishnapatnam Industrial Node needs to be transferred in the name of the SPV for availing the grant from GoI. Considering this, in-principle approval was accorded for transfer of land in the name of the SPV.

(vi) Further, a Special Purpose Vehicle (SPV) viz NICDIT Krishnapatnam Industrial City Development Ltd (NKICDL) has been formed between NICDIT and APIIC with equity participation of Central and State Govt to establish, promote and facilitate the development of Krishnapatnam Industrial Node under CBIC. Under the SPV, NICDIT and APIIC shall have an equity contribution of 50% each up to a maximum of Rs 3,000 Crore and any amount in excess of this shall be treated as soft loan on the terms & conditions agreed by Board of SPV.

(vii) NKICDL proposes to develop the Krishnapatnam Node in three phases. Under this development plan, NKICDL has planned to develop Activation Area of 2,500 Acres under phase I. After deduction of CRZ area from the activation area, the area available for development is an extent of about 2,139.15 Acres of land. The township will be developed on the principles of 'Live-Work-Play' and 'Walk to Work' concepts. All sustainability features will be embedded into the city and there will be a 'City Integrated Command and Control Centre' to monitor the city daily.

(viii) NICDIT Board has accorded the approval for estimated cost of the project including the land at the SPV level of INR 2,139.44 Crore for construction of various infrastructure components for activation area. The equity contribution by NICDIT in the SPV will be INR 621 crores, which is equivalent to the land cost and in addition it will bring a debt of 459 Cr to the SPV with a 10-year moratorium from start of the project and 12 years repayment period with interest based on 10-year G-Sec rate. The gap between proposed Administrative Sanction amount and tied up means of finance i.e.

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INR 1,448/- Crores minus INR 1,080/- Crores = INR 368/- Crores is proposed to be met through monetization of land and any additional requirement will be met through debt financing.

(ix) The EPC Tender and Procurement Process will be based on the prevailing market prices and as per the Schedule of Rates (SOR) in the state of A.P. for the year 2020-21. It is estimated that the project cost shall be approximately INR 1,448 Crores which includes all the components of the project development works i.e. Roads, Bridges, Utilities, STP, CETP and Solid Waste Management, Administrative building, ICT Cost, O&M Cost and other costs like contingencies, Escalation, Construction supervision charges, Administrative Charges, Quality Control charges and Construction Safety Cost.

(x) As per the fnancing plan of the Project, based on the break up shown towards the Cost details of the Project as well as means of Finance to fund the project cost by APIIC Ltd., no debt is required as proceeds from internal accruals will be used to fund any shortfall in the funding of the Project. In the unlikely event of internal accruals not being available to fund any shortfall in funding of the project, further debt from NICDIT or debt from fnancial institutes/banks will be considered and the debt would not require any State Government guarantee as the SPV (NICDIT Krishnapatnam Industrial City Development Ltd) will be able to leverage its fxed assets, if needed. As per the fnancial plan of the project, all the debts so raised for the development of the Project will be repaid from the balance sheet of NKICDL and there will be no liability vesting on or expected of the State Government.

(xi) Krishnapatnam Industrial Node, is being developed under the Chennai Bengaluru Industrial Corridor (CBIC) is a high impact and market driven node which is strategically located to provide an investment friendly facility with world class infrastructure connectivity for freight movement, logistic hubs, reliable power and quality social infrastructure to be a globally competitive environment conducive for setting up businesses.

4. The VC&MD, APIIC Ltd., has also clarifed that (i) all the estimates and tender documents have been prepared as per the codal provisions of GoAP duly following NICDIT guidelines; (ii) L.A. consents have been received from the farmers and payment to be made by the District Collector, Nellore.

5. Government, after careful examination of the matter hereby accord Administrative Sanction to APIIC Ltd., for an amount of Rs.1,448 Crores (Rupees One Thousand Four Hundred and Forty Eight Crores only) for the infrastructure works to be taken up in Krishnapatnam Node under Chennai Bengaluru Industrial Corridor (CBIC) and to meet the entire expenditure from the balance-sheet of the SPV viz. NKICDL.

6. The Commissioner, APICDA and the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited (APIIC) shall take further necessary action in the matter, accordingly.

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7. This order issued with the concurrence of Finance (FMU-I&I, Energy and I&C) Dept vide their U.O.No.FIN01-FMU0ASD(IC)/44/2021-FMU-IIEIC (Computer No:1376553), dt.19.04.2021.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, APIIC Tower, 9th to 11th Floors, Plot No.CFC-1, IT Park, Mangalagiri, Guntur District, A.P. – 522 503.

Copy to:
The Director of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The CEO & MD, National Industrial Corridor Development Corporation Ltd., (NICDC), 8th Floor, Tower.I, 124, Jeevan Bharti Building, Parliament Street, Connaught Place, New Delhi.
The Addl. Commissioner, A.P. Industrial Corridor Development Authority, APIIC Towers, Managalagiri, Guntur Dist.
The G.A. (Cabinet) Department, A.P. Secretariat w.r.t. U.O.No.59/2021, dt.04.05.2021.
The P.S. to Minister (I&C, IT, SD & Trg).
The P.S. to Secretary to C.M., A.P. Secretariat, Velagapudi.
SC/SF.

//FORWARDED : : BY ORDER//

SECTION OFFICER